POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended: June 30, 2021

RTD
SERVING NORTH CENTRAL NEW MEXICO

North Central Regional Transit District
Española, New Mexico

NCRTD Mission Statement:

"To provide safe, secure and effective public transportation within North Central New Mexico in order to enhance the quality of life of our citizens by providing mobility options and economic opportunities throughout the region."

NCRTD Vision Statement:

"To be the leading rural public transportation organization connecting communities and enhancing cultural, environmental, social and economic opportunities for the betterment of our region."

About NCRTD:

The North Central Regional Transit District provides fare-free public transit service to an area that encompasses over 10,000 square miles of north central New Mexico. The District's Board is comprised of elected officials representing the counties of Taos, Los Alamos, Rio Arriba and Santa Fe; the Cities of Santa Fe and Española; the Towns of Taos and Edgewood; the Villages of Chama, Questa and Taos Ski Valley; as well as Tribal representatives from the Pueblos of Pojoaque, Ohkay Owingeh, Nambé, San Ildefonso, Santa Clara, and Tesuque. It provides service to more than 74 communities and sovereign nations.

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Message from the Chair

Daniel Barrone
Chairman and Mayor of Taos

In our ongoing effort to inform the North Central Regional Transit District (District) constituents about the state of our finances and accomplishments, we are pleased to present the 2021 Popular Annual Financial Report (PAFR).
This report is reflective of our commitment to preserving the District's long term financial health and is intended to summarize the financial activities of the District's funds that are reported in more detail in the Annual Comprehensive Financial Report (ACFR). The PAFR also contains information about the district and its accomplishments. A copy of the ACFR is available on ncrtd.org at: about us/reports/annual comprehensive financial report

We're proud to announce that the District received the Distinguished Budget Presentation Award for its annual budget for the fiscal year 2021 beginning July 1, 2020, the Certificate of Achievement for Excellence in Annual Comprehensive Financial Reporting for its report for the fiscal year ended June 30, 2020, and the Popular Annual Financial Reporting Award for the fiscal year ended June 30, 2020, from the Government Finance Officers Association (GFOA). These awards acknowledge that the District's financial reporting and management activities are recognized as best practices in New Mexico, and the nation.

Fiscal Year 2021 (July 1, 2020, thru June 30, 2021) represented a continuation of the challenges presented by the pandemic and the rollout of vaccines with an eye towards a post pandemic environment. Maintaining our response to this challenge, our employees have performed admirably during the COVID-19 pandemic, continuing to provide essential transportation services to the four-county region and especially for those most dependent on transit to get to work, to medical care and access to food and life's daily necessities. Our front-line operators, maintenance workers, safety and security personnel, and support staff have endured these difficult times and inspired our organization. Preventative measures continue to be utilized to manage the spread of COVID-19 by following established guidelines and implementing best practices. With over 67 communities and 289,292 citizens to serve, the critical role of public transit was evident.

The District, with the Board's guidance, underpinned the fact that the District is resilient, both financially and operationally. Congress continued funding public transit systems with increased monetary resources to help navigate the economic impacts of the pandemic and provide critical essential service. As such, we remain a dynamic, durable entity that serves the public now and into the future.

and Executive Director

In spite of the challenges the District kept its focus on its long-term financial and strategic approach in managing its resources and implementing its capital investment program and planning for the future which included the following:

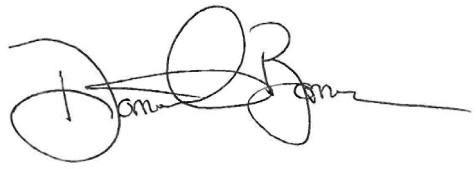
- Commenced the construction of a $10,902,064 five (5) bay Maintenance Facility in Espanola.
- Began the design of the new $8 million Operations and Maintenance Facility in Taos located at the intersection of Salazar and Este Es Road.
- Initiated the design for the expansion of the Jim West Regional Transit Center in Espanola.
- Acquired and started implementation of an Asset Management System for fleet and facilities maintenance and management.
- Completed the Radio and Tower Infrastructure Study and launched the acquisition of replacement radios and expansion of towers.
- Secured $5 million in federal funding to purchase five (5) electric buses and vehicles, and associated charging infrastructure to be placed in Taos.

Anthony J. Mortillaro
Executive Director

The aforementioned items are a sampling of the accomplishments contained within this report. As you read this report and note the accomplishments and services enumerated herein, the delivery of which are carried out daily by many caring team members whose skills and commitment make the District the exceptional transit agency it is today.

We look forward to the upcoming year as we usher in a new era of health and economic recovery in a post pandemic environment and the expectations for a brighter tomorrow.

Cordially,



Daniel Barrone, Chairman and Mayor of Taos

Anthony J. Mortillaro, Executive Director

BOARD OF DIRECTORS

Chair
Daniel R. Barrone
- Mayor -
Town of Taos
Alternate
Miranda Quintana
Grants Administrator

Vice Chair
D. Tim Salazar
- Mayor Pro Tem -
City of Española
Alternate
Councilor
Justin Salazar-Torres

Secretary/Treasurer
Scott Flury
- Councilor -
Village of Chama
Alternate
Matthew Gallegos
Chama Village Councilor

Councilor
Linda Holle
Town of Edgewood
Alternate
Juan Torres
Clerk Administrator

Councilor
Sean Williams
Los Alamos County
Alternate
Jon Bulthuis
Deputy Public Works Director

TBD
Nambe Pueblo
Alternate
Marcus Lopez
Roads and Transportation Manager and GIS Technician

Transportation Public Works Director
Ben Lujan
Ohkay Owingeh Pueblo
Alternate
Christy Ladd
Planning Manager

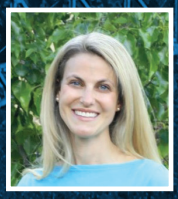
TBD
Pueblo of Pojoaque
Alternate
Jeff Montoya
Assistant to Special Projects

Councilor
Charlie I. Gonzales
Village of Questa
Alternate
Brent Jaramillo
Councilor

Commissioner
Christine Bustos
Rio Arriba County
Alternate
Tomás Campos
County Manager

Natural Resources Director
Stephen Martinez
Pueblo de San Ildefonso
Alternate
Lillian Garcia
Transportation Planning Director

Tribal Sheriff
Joseph Gutierrez
Santa Clara Pueblo
Alternate
Mary Lou Valerio
Transportation Planner

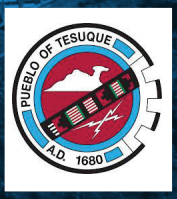


Councilor
Jamie Cassutt
City of Santa Fe
Alternate
Eric Aune
MPO Officer

Commissioner
Hank Hughes
Santa Fe County
Alternate
Anna Hansen
Commissioner

Commissioner
Jim Fambro
Taos County
Alternate
Lupe E. Martinez
Deputy County Manager Administration

Mayor
Christof Brownell
Village of Taos Ski Valley
Alternate
Jalmar Bowden
Building Inspector



Former Governor
Charles Dorame
Pueblo of Tesuque
Alternate
TBD

Ex-Officio Member: Terry Doyle | Rio Metro RTD – Alternate Elizabeth Carter

DESPITE PANDEMIC, NCRTD BOARD OF DIRECTORS OVERSEE ACTIVE YEAR IN FY 2021

Not missing a beat this year, the NCRTD Board of Directors continued to meet each month virtually. They worked tirelessly and maintained an active agenda tackling a wide range of items to make the NCRTD run smooth and efficient, and ensure that residents within the District were being well represented.

The Finance Subcommittee continued to meet on a monthly basis and the Tribal Subcommittee, meet on a quarterly basis, to review matters and make recommendations to the Board.

This past year the Board was pleased to welcome two new members: Los Alamos Councilor Sean Williams replaced Councilor Antonio Maggiore; and Rio Arriba County Commissioner Christine Bustos replaced Leo Jaramillo who successfully ran for the New Mexico State Senate.

This year, 34 Resolutions were adopted by the Board, among them:

- A resolution amending and strengthening the District's procurement policy
- Adopting a Disadvantaged Business Enterprise Plan and Goals
- Adopting the NCRTD Title VI Program implementing a system to prevent discrimination on the basis of race, color, or national origin in federally funded programs and activities
- Authorizing a Los Alamos National Laboratory Transit Service Options analysis
- Adoption of the NCRTD Service Plan Update and Transit Service Plan Implementation
- Authorizing and directing the District to seek Low or No Emissions grant program funding
- Adopting the Fiscal Year 2022 final budget

FY2021 Revenues: $16,097,231

FY2021 Expenses: $9,595,649 million

Transit Gross Receipt Taxes were 57% of 2021 Revenues

FISCAL YEAR 2021 FINANCIAL HIGHLIGHTS

This Annual Report contains summarized financial information taken in part from the North Central Regional Transit District's (NCRTD's), Fiscal Year 2021 Annual Comprehensive Financial Report (ACFR), which is published separately.

This Popular Annual Financial Report is a summary created for general readership to inform those without financial and/or accounting background and as such it does not contain all the information available in the District's ACFR. Users desiring additional or more comprehensive information such as financial information presented in accrual method, by classification, Management's Discussion Analysis and/or Audited Financial statements please refer to the ACFR.

The 2021 ACFR is available at District's headquarters building in Española and/or on ncrtd.org at: about us/ reports/annual comprehensive financial report. The Financial records and statements are fairly and accurately presented in accordance with Generally Accepted Accounting Principles (GAAP).

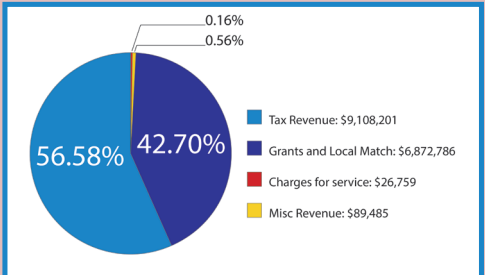
Budget:

On June 30, 2020, the District adopted a balanced operating budget for Fiscal Year 2021 of $20,693,952 million. Revenues received during the 2021 Fiscal Year were $16,097,231 vs. $9,595,649* of expenses incurred. This means that the District received $6,501,582 more than it spent.

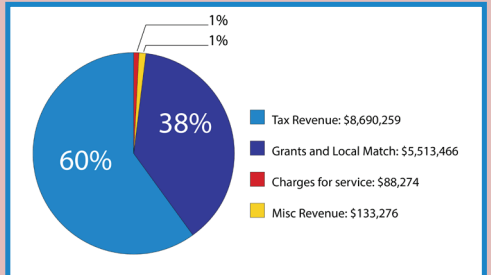
Revenues:

For Fiscal Year 2021 the District received revenues in the amount of $16,097,231. The revenues were received from the following sources: Federal and State grants (42.70%), Transit Gross Receipt Taxes, (GRT) (56.58%), miscellaneous sources (.56%), and Charges for Services (.16%). The increase in revenue during FY2021 is related to CARES funding that reimbursed at 100% instead of the normal 80/20 for Administrative and 50/50 for Operating expenses along with increase GRT.

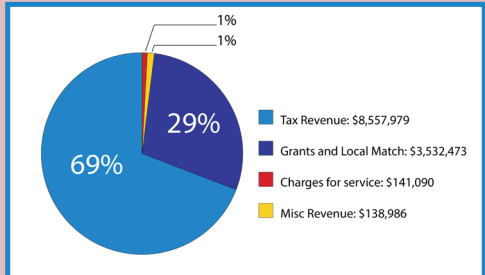
NCRTD REVENUES 2021, 2020 & 2019



FY 2021 REVENUES
TOTAL: $16,097,231



FY 2020 REVENUES
TOTAL: $14,425,275



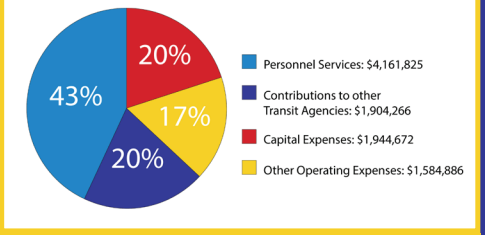
FY 2019 REVENUES
TOTAL: $12,370,528

* The NCRTD's ACFR is presented under the accrual basis of accounting method in which revenues are recognized when earned and measurable and expenses are recognized when incurred.

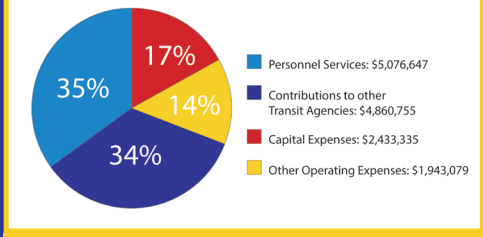
FY2021 GRT Contributions to other Transit Agencies (20%)

FY2021 Personnel services salaries (43%)

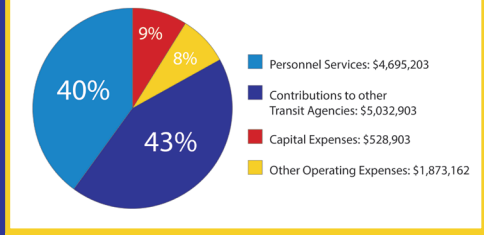
NCRTD EXPENSES 2021, 2020 & 2019



FY 2021 EXPENSES
TOTAL: $9,595,649



FY 2020 EXPENSES
TOTAL: $14,313,816



FY 2019 EXPENSES
TOTAL: $12,130,171

Expenses:

Expenses incurred during Fiscal Year 2021 totaled $9,595,649 consisting of the following: Personnel services (43.37%), GRT Contributions to other Transit Agencies (19.85%), Capital outlay (20.27%), and Other Operating Expenses (16.52%).**

The largest expenditure category is Personnel services closely followed by Capital and GRT contributions made to other Transit agencies that provide services within the District's service area such as: the New Mexico Rail Runner, Santa Fe Trails and Atomic City Transit in Los Alamos County. The decrease in expenses is a result of decreases in salaries, benefits, and contributions to other transit agencies.

Overall:

For the fiscal year 2021 ending June 30, 2021, AXIOM, CPAs and Business Advisors, the District's external auditors, expressed an unmodified opinion which is the best opinion that can be received (often referred to as a 'clean' audit).

The NCRTD Finance department oversees and handles all financial aspects of the District that is inclusive of Accounts Payable, Accounts Receivable, Payroll and maintaining the General Ledger. The Finance Department is also responsible for all the aspects of the District's financial obligations and reporting in relation to grants compliance and procurements.

A high standard of excellence, fiscal responsibility and values drives the District's Finance Department the goal of the department is to provide outstanding levels of support and timely and cost-effective service and products while conforming to the highest level of Ethical standards.

** The ACFR includes depreciation, but does not include actual capital expenditures for the year. In addition the ACFR recognizes the contributions to other Transit Agencies as contra revenue rather than expense as the PAFR does.

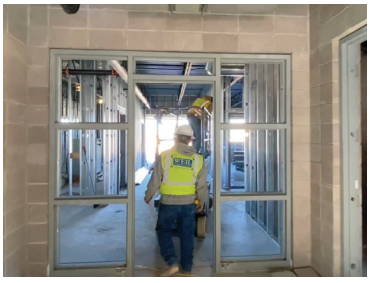
SIGNIFICANT CAPITAL PROJECTS MOVING FORWARD

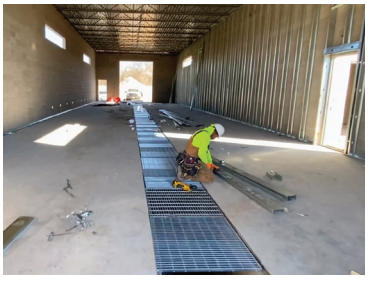
ESPAÑOLA MAINTENANCE FACILITY, WASH BAY AND FUELING STATION

After an April, 2021 groundbreaking, construction on the new maintenance facility, wash bay and fueling station is well underway.

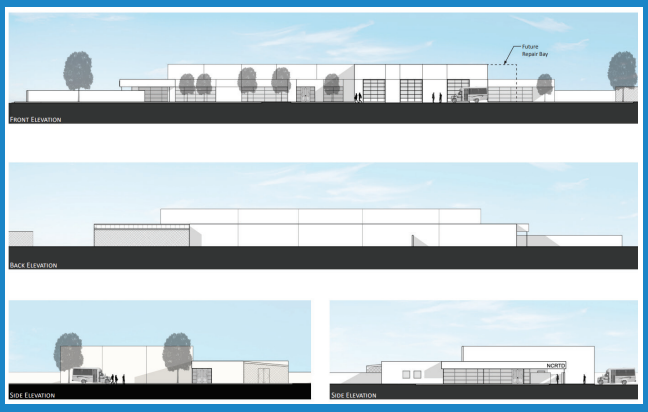
The new 18,000 square foot facility is located on seven acres behind the Jim West Regional Transit Center which serves as the District headquarters on Riverside Drive in Española. The project is expected to fulfill current vehicle maintenance and upkeep needs as well as be capable of accommodating future operations and fleet expansion.

The new facility opens a new chapter in a history of progress and in providing mobility for the people of northern New Mexico. Key partners on the project are the US Department of Transportation's Federal Transit Administration, New Mexico State Legislators and the New Mexico Department of Transportation Transit and Rail Division. Their vision has made this project a reality.





TAOS OPERATIONS AND MAINTENANCE FACILITY



The Taos Operations and Maintenance facility continues to move forward. Financing is now in place. The project will provide a secured facility that will house a series of maintenance bays, a fueling island, office space for administration/operations, bus parking, and employee and visitor parking.

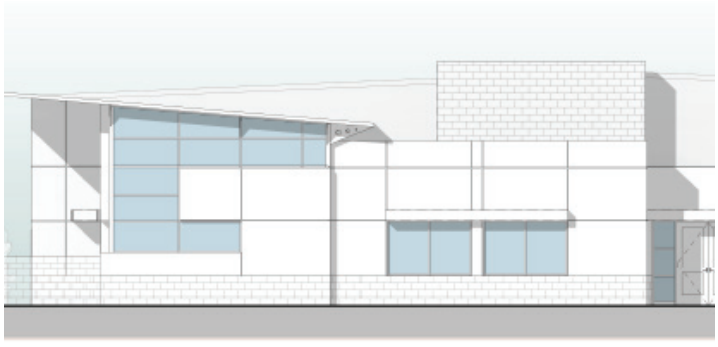
Located on a six-acre site in the Town of Taos at Este Es and Salazar Roads, the project is expected to break ground in spring of 2022.

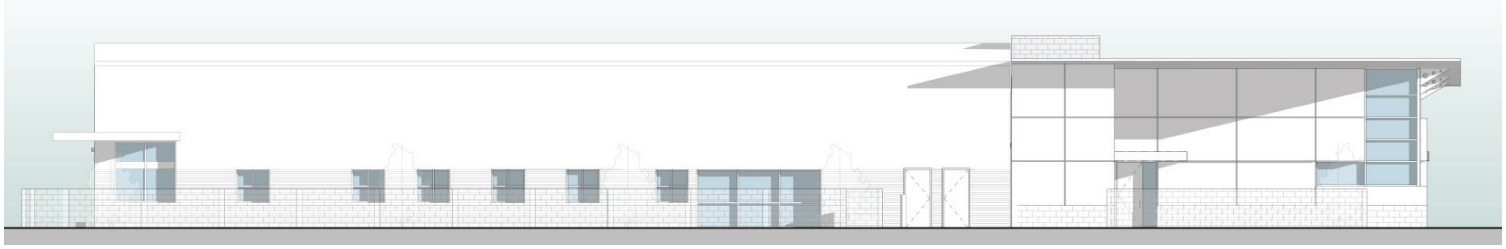
JIM WEST REGIONAL TRANSIT CENTER EXPANSION

The District is moving forward with plans to expand its 12,500 square foot administrative facility known as the Jim West Regional Transit Center.

The current facility was remodeled and completed in 2012, and 2,475 square feet of the facility was not remodeled and has been used for storage and light maintenance. Due to nine years of growth and staffing increases in both administrative and operational services, the existing facility has reached its capacity.

With the construction of the new Maintenance Facility directly behind the Headquarters facility, the District will no longer need this space in its current form and this portion of the building will now be able to accommodate the future expansion for administrative and operational needs.





UPDATING THE NCRTD SERVICE PLAN

EXTENSIVE TRANSIT SERVICE PLAN UPDATE BEGINS

An extensive NCRTD Transit Service Plan Update was adopted by the Board and has begun to be implemented. The Service Plan Update will now guide NCRTD service development for the next seven years.

KFH Group, one of the nation's leading transit industry consultancies conducted the Service Plan Update. During the process, field surveys of each route were conducted, including riding each route. They also conducted Community and Stakeholder outreach which resulted in 29 public meetings to obtain constituent input as well as two focus groups. An extensive series of Technical Memoranda were drawn up and delivered and included:

- Technical Memorandum No. 1: Review of Demographics, Land Uses and Travel Patterns
- Technical Memorandum No 2: Community Outreach
- Technical Memorandum No 3: Review of Existing Services
- Technical Memorandum No 4: Need and Strategies for the Future
- NCRTD Transit Service Plan Update

The recommended service plan update calls for new routes and services as well as enhancements to make the system operate as smoothly as possible and with the greatest benefit to riders. The research, outreach, analysis and planning presented in the four technical memoranda culminate in the final report titled "NCRTD Transit Service Plan Update". To view the Transit Service Plan Update, go to the About Us/Reports/2020 Service Plan Update section at www.ncrtd.org.

NCRTD COLLABORATING WITH LOS ALAMOS NATIONAL LAB AND NEW MEXICO DEPARTMENT OF TRANSPORTATION ASSESSING AND IMPLEMENTING A TRANSIT SERVICE OPTIONS NEEDS ANALYSIS

The District continues to work with NMDOT and Los Alamos National Laboratory (LANL) on a transit needs and options analysis and implementation as the Lab anticipates a significant increase in staffing over the coming years.

The study was initiated by LANL and NCRTD, in collaboration with NMDOT. Together they retained Nelson/Nygaard to conduct a LANL Transit Service Options Analysis that included an analysis of Existing Transit Service Options as well as a Mobility Options Analysis. The study was presented to the NCRTD Board in November 2021 and an implementation plan is currently being drawn up based on those findings and input from the NCRTD Board.

Currently 60% (~6,000) of LANL employees commute from outside of Los Alamos County. The LANL Transit Service Options Analysis is designed to identify changes to existing services and identify new services and programs to increase the number of employees who use public transit alternatives to driving alone to commute to the Laboratory.

District Moves Forward with Logo Refresh, Rebranding and Marketing Strategies Program with Studio Six Branding

Studio Six Branding out of Longmont, Colorado has been awarded the project for a logo refresh and rebranding that will be rolled out in calendar 2022.

While the Blue Bus isn't going anywhere, a program seeking to strengthen the buses' brand identity, including new naming concepts, development or refresh of logo(s), symbols and or designs, and development of branding marketing strategies for transit services including vehicles, signage and schedules is well underway.

A series of Discovery sessions were held with the Board in May, area stakeholders in July, and Tribal members and the Tribal subcommittee in August to assess perceptions of the RTD and local customs and cultures that could be incorporated into a series of final design considerations.

Studio Six is a highly specialized transit branding agency that develops brands to elevate the perception and experience of public transportation.

BEFORE **AFTER**

BEFORE **AFTER**

Above are examples of buses that received the Studio Six makeover.

FLEET MARKED BY CURRENT AND FUTURE EXPANSION

ELECTRIC BUS CONVERSION PROJECT EXPANDS TO TAOS

The NCRTD will receive $5 million from US Department of Transportation (USDOT)/Federal Transit Administration (FTA) as part of its low or no emissions grants program to improve service and air quality.

The money will go towards the purchase of five electric buses and charging infrastructure that will be placed in the Taos area. It will also provide for support charging equipment and workforce training to maintain the vehicles.

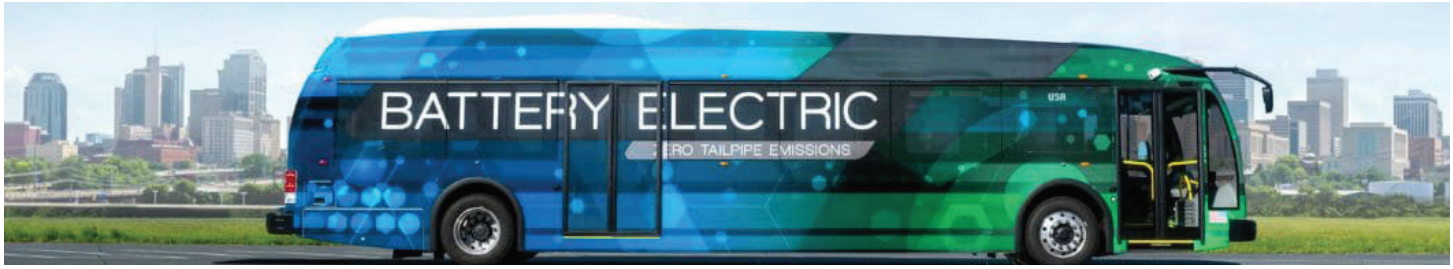
This follows an earlier $2.9 million FTA grant the NCRTD received for the purchase of five electric buses, charging infrastructure and workforce training targeted for the Española area.

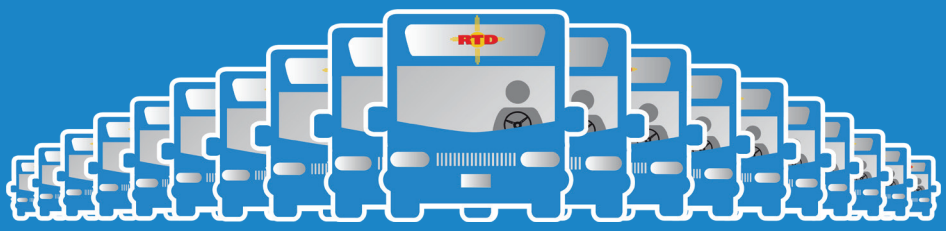
The electric buses will be placed in and around the Town of Taos and City of Española because of the limited driving range of the vehicles. Future plans call for expanding the purchase of charging stations that can be placed along longer routes.

To assist in program development and rollout, the NCRTD has entered into a professional Services Contract with The Center for Transportation and Environment (CTE) for developing an implementation strategy and project management on both the Española and Taos battery electric rollout. Multiple cost savings will now be achieved by working with CTE in both locations, and by increasing efficiencies and eliminating redundancies.

CTE has managed and consulted on a range of zero-emission bus projects over the last decade, from new bus development and demonstration projects to full fleet deployment projects. CTE leads the industry in both zero-emission bus deployment projects as well as developing zero-emission bus transition plans.

Through the FTA's Low-No Grant Funding awards, the District is moving forward with the purchase of six 35' Battery Electric Buses and four electric cutaway buses and associated charging infrastructure improvements for the deployment of Electric Transit Buses in Española and Taos.





19 NEW BUSES

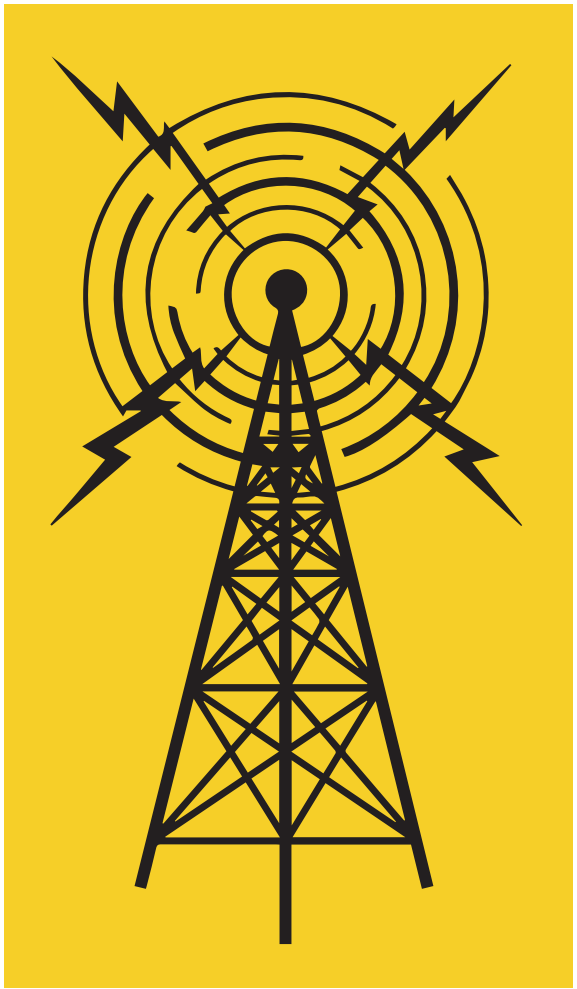
To keep the fleet moving and operating as efficiently as possible and prepared to move into the future, the NCRTD will purchase 19 new vehicles in calendar 2022.

As a result of the District's expansion into electric vehicles, six 35' Battery Electric Buses and four electric cutaway buses will be purchased and placed on routes in areas surrounding the City of Española and the Town of Taos.

Additional vehicle purchases will include: 2 transit vans for demand service, 4 14-passenger buses, 1 25-passenger bus, and 2 18-passenger buses with enhanced amenities.

Overall, the purchase will represent an investment totaling $7,891,675 with $6,309,464 through Federal/ State contributions and $1,582,211 in Local Match.

LAND MOBILE RADIO PROJECT MOVING FORWARD



The District continues to move forward on the purchase of equipment and infrastructure upgrades for the Land Mobile Radio project. Given the District's extensive service area and continued growth, there has been a decrease in the ability to consistently communicate between dispatch and buses via 2-way radio and our existing system. This upgrade, as well as the addition of new repeater sites, will eliminate those problems.

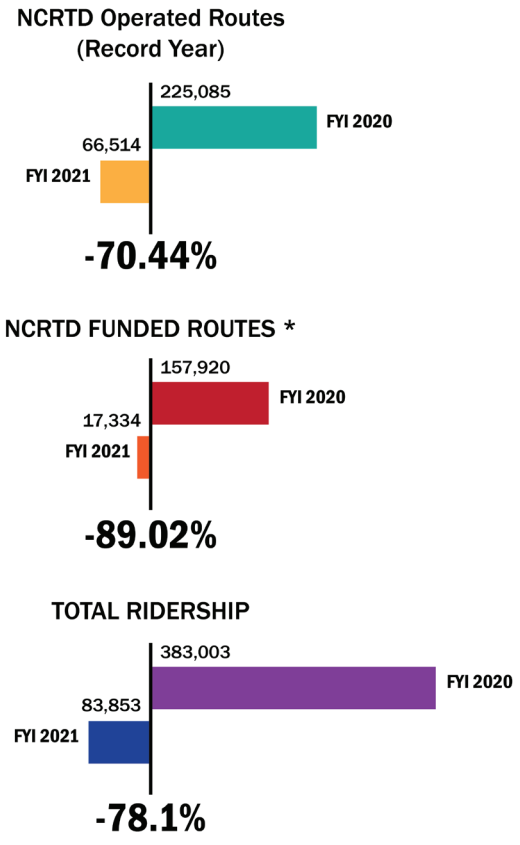
This past year, the NCRTD Board approved the recommendation to move forward Federal Engineering (FE) on the purchase and implementation of a Next Level Digital Narrowband (NXDN) system. After an analysis of various procurement methods in conjunction with FE, it was determined a hybrid model of utilizing the New Mexico Statewide Price Agreement and submitting a Request for proposals with a list of equipment and technical specifications, and performance expectations to the 11 vendors on the statewide agreement was the best direction to take.

The project is due to be completed in August, 2023.

DISTRICT CONTINUES TO SEE IMPACTS OF COVID-19 PANDEMIC IN FY 2021 RIDERSHIP

Ridership in FY 2021 took a severe hit due to the COVID-19 pandemic. Percentage declines in ridership were consistent with public transit systems nationwide. This is due in part to social distancing and limits of groups to no more than five. That left the transit operator and no more than four passengers. Some recovery was being seen in the final months of the fiscal year. In the first quarter of FY 2022, ridership growth was at a pace 84% higher than for the same period the previous year. We expect that trend to continue but will still have a way to go to reach pre-pandemic levels.

RIDERSHIP



*NCRTD funded routes include regional routes funded by NCRTD and serviced by Santa Fe Trails and Los Alamos Atomic City Transit

RTD 255 MOUNTAIN TRAIL AND 305 TAOS EXPRESS NOW PERMANENTLY FARE-FREE

At the November 5 Board meeting of the North Central Regional Transit District (NCRTD), the Board approved a resolution to make the 255 Mountain Trail and 305 Taos Express permanently fare-free.

The two premium services had been operating on a fare basis since their launch and until now were the only fare-based fixed route services. The District now provides fare-free service on each of its 29 fixed routes.

Previously, the 255 Mountain Trail was $5 each way in the winter season which corresponds to the open and close of Ski Santa Fe. During the non-winter operation, the cost was $5 to ride up and free to ride down.

The 305 Taos Express was $5 each way between Taos and Santa Fe, and $2 from Española to Taos or Santa Fe.

EMPLOYEE CORNER

The following series of photos highlights our team members from throughout the year. Included are photos from the Finance Department being recognized for the Triple Crown Award from the GFOA; Board recognitions for employees who have gone Above and Beyond; charitable ventures such as the Holiday Giving Tree to benefit the foster children of the NM Children Youth and Families division; Fun Committee events and competitions; the employee summer picnic; and community events such as Chama Days, which we participated in for the first time this year, Española Touch-a-Truck and the Holiday Light Parade.

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